

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

IN RE VALEANT PHARMACEUTICALS
INTERNATIONAL, INC. SECURITIES
LITIGATION

Civil Action No. 15-7658 (MAS) (LHG)

ORDER

This matter comes before the Court on six Motions to Dismiss. The first Motion was filed by Defendants Goldman Sachs & Co.; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith, Inc.; CIBC World Markets Corp.; Citigroup Global Markets, Inc.; DBS Bank Ltd.; TD Securities (USA) LLC; BMO Capital Markets Corp.; SMBC Nikko Securities America, Inc.; Deutsche Bank Securities Inc.; HSBC Securities (USA) Inc.; Mitsubishi UFJ Securities (USA), Inc.; DNB Markets, Inc.; Barclays Capital Inc.; Morgan Stanley & Co. LLC; RBC Capital Markets, LLC; and SunTrust Robinson Humphrey, Inc. (collectively, the “Bank Offering Defendants”), seeking dismissal with prejudice of Counts Three through Eight of Plaintiffs the City of Tucson, together with and on behalf of the Tucson Supplemental Retirement System, (the “City of Tucson”) and Lead Plaintiff Teachers Insurance and Annuity Association of America-College Retirement Equities Fund’s (“TIAA-CREF”) (collectively, “Plaintiffs”) Consolidated Complaint (the “Complaint”) as to the Bank Offering Defendants. (ECF No. 164.) The second Motion was filed by Defendant PricewaterhouseCoopers LLP (“PwC”), seeking dismissal of Count Seven of the Complaint as to PwC. (ECF No. 165.) The third Motion was filed by Defendant Tanya Carro (“Carro”), seeking dismissal of Count One as to Carro. (ECF No. 166.)

The fourth Motion was filed by Defendants Valeant Pharmaceuticals International, Inc. (“Valeant”), J. Michael Pearson (“Pearson”), Robert L. Rosiello (“Rosiello”), Ari S. Kellen (“Dr. Kellen”), Ronald H. Farmer (“Farmer”), Colleen Goggins (“Goggins”), Robert A. Ingram (“Ingram”), Anders Lönner (“Lönner”), Theo Melas-Kyriazi (“Melas-Kyriazi”), Robert N. Power

(“Power”), Norma Provencio (“Provencio”), Katherine B. Stevenson (“Stevenson”), and Jeffrey W. Ubben (“Ubben”) (collectively, the “Valeant Defendants”), seeking dismissal of all Counts as to the Valeant Defendants. (ECF No. 167.) The fifth Motion was filed by Defendant Howard B. Schiller (“Schiller”) (ECF No. 168), seeking dismissal of all Counts as to Schiller, and the sixth Motion was filed by Defendant Deborah Jorn (“Jorn”) (ECF No. 169), seeking dismissal of Count One as to Jorn.¹

Plaintiffs filed an omnibus opposition brief in response to all six Motions to Dismiss (“Plaintiffs’ Opposition Brief”) (ECF No. 178), and all six movants replied (ECF Nos. 185, 186, 187, 188, 191, 196). Additionally, nonparty Securities Industry and Financial Markets Association (“SIFMA”) filed an amicus curiae brief (ECF No. 193), and Plaintiffs filed opposition (ECF No. 208). Finally, Plaintiffs submitted supplemental authority on the issue of auditor liability under Section 11 of the Securities Act of 1933 (the “Securities Act”) (ECF No. 211), and PwC responded (ECF No. 212).

¹ Given the substantial number of parties, the Court utilizes the categories of Defendants as set forth in the Complaint: (1) the “Director Defendants” are comprised of Ingram, Farmer, Goggins, Lönner, Melas-Kyriazi, Power, Provencio, Stevenson, and Ubben; (2) the “Individual Defendants” are comprised of Pearson, Schiller, Rosiello, Jorn, Kellen, Carro, and the Director Defendants; (3) the “Exchange Act Defendants” are comprised of Valeant and the Individual Defendants; (4) the “Individual Securities Act Defendants” are comprised of Pearson, Schiller, Farmer, Goggins, Ingram, Lönner, Melas-Kyriazi, Power, Provencio, Stevenson, and Ubben; and (5) the “Stock Underwriter Defendants” are comprised of Deutsche Bank Securities, Inc., HSBC Securities (USA) Inc., Mistubishi UFJ Securities (USA), Inc., DNB Markets, Inc., Barclays Capital, Inc., Morgan Stanley & Co. LLC, RBC Capital Markets, and SunTrust Robinson Humphrey, Inc. Additionally, the Court refers to all Defendants, collectively, as “Defendants.”

The Court has carefully considered the parties' submissions and heard oral argument on April 10, 2017. For the reasons set forth in the accompanying Memorandum Opinion, and other good cause shown,

IT IS on this 28th day of April 2017, **ORDERED** that:

1. The Exchange Act Defendants' Motions to Dismiss are **DENIED** with regard to Count One.
2. Valeant, Pearson, Schiller, and Rosiello's Motions to Dismiss are **DENIED** with regard to Count Two.
3. Valeant, Pearson, Schiller, and the Bank Offering Defendants' Motions to Dismiss are **GRANTED**, without prejudice, with regard to Counts Three, Four, Five, and Six, without prejudice.
4. Valeant, the Individual Securities Act Defendants, PwC, and the Stock Underwriter Defendants' Motions are **DENIED** with regard to Count Seven.
5. Valeant, Pearson, Schiller, and the Stock Underwriter Defendants' Motions are **DENIED** with regard to Count Eight.
6. Valeant, Pearson, and Schiller's Motions Dismiss are **DENIED** with regard to Count Nine.

s/ Michael A. Shipp

MICHAEL A. SHIPP

UNITED STATES DISTRICT JUDGE